

ORDINANCE NO. 12-10

ORDINANCE OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, AUTHORIZING THE GUARANTY BY THE BOROUGH OF THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE WATER REVENUE BONDS, IN ONE OR MORE SERIES, PROJECT NOTES, OR OTHER OBLIGATIONS EVIDENCING DEBT TO BE ISSUED BY THE MERCHANTVILLE-PENNSAUKEN WATER COMMISSION, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,800,000 FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY FOR THE PAYMENT OF SAID REVENUE BONDS OR BOND ANTICIPATION NOTES; AND DETERMINING CERTAIN MATTERS IN CONNECTION THEREWITH

BACKGROUND

WHEREAS, the Merchantville-Pennsauken Water Commission ("Commission"), a body politic of the State of New Jersey, situated at 20 West Maple Avenue, Merchantville, New Jersey 08109, has been duly organized in accordance with the provisions of *N.J.S.A. 40:62-108 et seq.*; and

WHEREAS, the Commission is jointly owned by the Borough of Merchantville, County of Camden, New Jersey ("Borough") and the Township of Pennsauken, County of Camden, New Jersey ("Township") in the following percentages:

Borough of Merchantville	11.58%
Township of Pennsauken	<u>88.42</u>
	<u>100.00%</u>

WHEREAS, the Commission has determined there exists a need within its service area for various improvements to its water system consisting of: (i) the full containment of the 175 foot high, three million gallon capacity water tank at 8790 Park Avenue ("Tank"); (ii) removal of the exterior and interior paint on the Tank; and (iii) application epoxy paint to the Tank, including such other work necessary therefore or related thereto ("2012 Project"); and

WHEREAS, the Commission has determined to finance the costs of the 2012 Project through the issuance of its water revenue bonds, project notes or other obligations evidencing debt, in an aggregate principal amount not to exceed \$2,800,000 (collectively, the "Obligations"); and

WHEREAS, the Commission intends to finance the 2012 Project by the issuance of the Obligations through the New Jersey Environmental Infrastructure Trust 2013 Financing Program, or through a public or private sale, as may be determined by Commission; and

WHEREAS, the Borough Council, after due deliberation, has ascertained that it will be in the best interest of the Commission to issue any such Obligations to finance the costs of the 2012 Project; and

WHEREAS, it is the desire of the Borough to guarantee repayment of any such Obligations in the event of a default by the Commission.

NOW, THEREFORE, BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, AS FOLLOWS:

Section 1. The Borough hereby guarantees repayment of the principal of and interest on any Obligations issued by the Commission in connection with the 2012 Project, when due, in the event the Commission is unable to make such payment.

Section 2. Said unconditional guarantee by the Borough shall be to the full extent of its ownership interest in the Commission, that being 11.58% of the amount of any default by the Commission.

Section 3. The term of this Ordinance shall extend until all Obligations issued by the Commission in connection with the 2012 Project have been paid in full.

Section 4. All ordinances, or parts of ordinances, inconsistent or in conflict with the provisions of this Ordinance are hereby repealed to the extent of any such inconsistency.

Section 5. This Ordinance shall take effect upon publication and final enactment as provided by law.

THE BOROUGH OF MERCHANTVILLE

BY: _____

FRANK M. NORTH, MAYOR

ATTEST:

DENISE BROUSE, BOROUGH CLERK

Statement to be Published After Introduction With Ordinance

STATEMENT

Notice is hereby given that the foregoing proposed Ordinance was introduced and passed by the Borough Council of the Borough of Merchantville at its regular meeting which was held on Monday, June 11, 2012 and that a public hearing upon the said Ordinance will be conducted by the Borough Council at a meeting on July 9, 2012 at 7:30 p.m. at the Merchantville Borough Municipal Building, 1 West Maple Avenue, Merchantville, New Jersey.

Dated:

DENISE BROUSE, Borough Clerk

Statement to be Published After Final Adoption

STATEMENT

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WATER COMMISSION, IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED \$2,800,000 FOR THE PURPOSE
OF PROVIDING ADDITIONAL SECURITY FOR THE
PAYMENT OF SAID REVENUE BONDS OR BOND
ANTICIPATION NOTES; AND DETERMINING CERTAIN
MATTERS IN CONNECTION THEREWITH**

The foregoing named Ordinance was duly adopted at a meeting of the Borough Council of the Borough of Merchantville held on July 9, 2012 at 7:30 PM.

Dated:

DENISE BROUSE, Borough Clerk